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**Report of: Executive Manager Regeneration**

**Report to: Chief Officer of Asset Management & Regeneration**

**Date: 26<sup>th</sup> April 2021**

**Subject: Request to waive Contracts Procedure Rule 15.2 – Tender evaluation**

Are specific electoral wards affected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, name(s) of ward(s):	Little London & Woodhouse Hunslet & Riverside
Has consultation been carried out?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Will the decision be open for call-in?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, access to information procedure rule number:	
Appendix number:	

## **Summary**

### **1. Main issues**

- The purpose of this report is to note the proposed evaluation and scoring method and provide justification of the waiver of Contracts Procedure Rule 15.2 – Tender Evaluation to the Chief Officer of Asset Management and Regeneration in the Tender for Leeds City Centre West Spatial Analysis.
- Leeds City Council are seeking the commission of a ‘best in class’ team to undertake a professional spatial analysis of Leeds City Centre, namely the west of the city, to support and inform the wider development of a regeneration framework for the area. This framework, authored by the Council, will focus on ‘physical’ and spatial changes for the area through new development and infrastructure delivery, as well economic development (including social regeneration) and policy initiatives to optimise inclusive growth. The substance and content of this framework will be informed by two related but separate studies, an economic analysis and a spatial analysis, spatial vision and an infrastructure delivery plan, combined with input from landowners and partners.
- Following direction and agreement from the Chief Officer of Asset Management and Regeneration, it is considered that there is justification not to use the price-quality separated approach to evaluation and to instead use the combined price/quality split approach. It is also intended that the price element of the evaluation is reduced to 30% and the quality element of the evaluation at 70%. This split of the criteria is

contrary to the recommended 40% as noted at paragraph 15.2 of the CPR and requires a waiver. The price element has been reduced in order to ensure that value for money is secured, and a best in class team is appointed who will add to the existing skills, knowledge and experience base held by the Council and bring creativity and innovation to the commission.

## **2. Best Council Plan Implications**

- The Leeds City Centre West Spatial Analysis contributes to delivering the ambitions, outcomes and priorities for the city and the organisation as set out in Leeds City Council's Best Council Plan. Home to a wealth of the city's businesses, organisations and economy, Leeds City Centre West will be crucial in the recovery from Covid-19. Developing a clear and practical action plan for the area to add value to these existing assets and their associated strengths will offer the potential to build upon the vision and momentum generated by the Local Plan and deliver inclusive growth for the city building longer-term economic resilience, an ambition central to the Best Council Plan.
- The spatial analysis will also deliver on ambitions to develop sustainable infrastructure by identifying opportunities for improved connectivity and taking advantage of future transport and connectivity schemes coming to the city.

## **3. Resource implications**

- The decision to approve the recommendation to waive the Contracts Procedure Rule 15.2 will ensure that the Council's financial capital is used in the most appropriate way, secure a best value for money option and produce the highest quality work which will be used to inform the creation of the regeneration framework.

## **4. Recommendations**

- In respect of the Leeds City Centre West Spatial Analysis, the Chief Officer of Asset Management and Regeneration is recommended to approve the waiver of the following Contracts Procedure Rule(s), Contracts Procedure Rule 15.2 – Tender evaluation in order to set the evaluation criteria split as 30% for price and 70% for quality.

## **1. Purpose of this report**

- 1.1** The purpose of this report is to note the proposed evaluation and scoring method and provide justification of the waiver of Contracts Procedure Rule 15.2 – Tender Evaluation to the Chief Officer of Asset Management and Regeneration in the Tender for Leeds City Centre West Spatial Analysis.

## **2. Background information**

- 2.1** The Tender for Leeds City Centre West Spatial Analysis is seeking the commission of a ‘best in class’ team to undertake a professional spatial analysis of Leeds City Centre, namely the west of the city, to support and inform the wider development of a regeneration framework for the area. This ‘Growth Framework’ for Leeds City Centre West (including the Innovation District) will be produced to shape future investment and development in the area, stimulate economic growth that is inclusive and sustainable, respond to the Climate Emergency and further support the city’s recovery from Covid-19. The substance and content of this framework will be informed by two related but separate studies, an economic analysis and a spatial analysis, spatial vision and an infrastructure delivery plan, combined with input from landowners and partners. This tender refers to the commission of the spatial analysis, spatial vision and an infrastructure delivery plan.
- 2.2** The scope of the commission is to produce a spatial strategy for the area that sets a vision for the district, analyses current opportunities and challenges and identifies a series of key moves and recommendations that will inform the development of a wider regeneration framework for this area to unlock inclusive growth over the next 10 years. While the Council has a substantial body of existing material which can inform this work, this material should be built upon through this spatial analysis rather than duplicated.
- 2.3** The strategy should consider integrated land-use, urban design and infrastructure whilst taking account of existing Planning Frameworks for the City Centre and the Connecting Leeds Transport Strategy. The strategy should also aim to maximise the full economic and regeneration potential of the area and explore how physical, social and economic connections can be enhanced with neighbouring residential communities. The strategy should build upon existing visions for the City Centre as set out in policy, whilst also having consideration for both the University of Leeds and Leeds Beckett University’s campus development ambitions, the emerging infrastructure in the area including Mass Rapid Transit proposals, and the growing sense of community building through the development of the emerging Neighbourhood Plans nearby.
- 2.4** The strategy should consider, analyse and address the following themes amongst others;
- Urban Realm, Form and Character including opportunities for Tactical Urbanism;
  - Cultural Life and Vibrancy;
  - Liveability, including the provision of housing and play;
  - Connectivity, Infrastructure and Transport; and
  - Sustainability, including green & blue infrastructure, and a spatial response to the Climate Emergency.

- 2.5** The spatial analysis will be required to address a number of key questions through specific and implementable place based measures within a spatial strategy for the area. These questions are noted in the brief. The spatial analysis should deliver analysis and baseline, opportunities and proposals and implementation and delivery mechanisms.
- 2.6** Overcoming spatial challenges existing in the City Centre West will be critical to improving cohesiveness and permeability across the area and unlocking future growth and development that fosters innovation, enhances sustainability, cultural growth and places people at the heart of the place-making process.

### 3. Main issues

#### 3.1 Evaluation & Scoring Method

- 3.1.1** The evaluation and scoring method is a balanced approach to achieving both a competitive and high quality outcome. Bidders must submit their response to the following quality criteria:

Quality Criteria / Method Statement	Max. Score Available	Min. Score Threshold
<p><b><u>Resource Plan</u></b></p> <p>Please outline the proposed resources, with time allocation, you intend to use for the commission, including the proposed ‘best in class’ team and the individuals and their roles within the organisation and their roles for this commission.</p> <p>Please describe why they have been selected and the directly relevant experience they will bring to the team to meet the Council’s requirements. If you intend to use individuals external to your organisation, please note this.</p>	250	175
<p><b><u>Case Studies</u></b></p> <p>Please include two relevant examples of experience that the proposed team have direct involvement with in undertaking similar commissions elsewhere in the UK or internationally, highlighting how this experience will enable you to undertake this work and meet the Council’s objectives here.</p>	175	125
<p><b><u>Programme</u></b></p> <p>Please provide clear details of the programme for the completion of the commission and interim reports, with a structure chart of management arrangements and evidence that the team has capacity to achieve the timescales.</p>	100	70
<p><b><u>Your Knowledge &amp; How You Will Apply it</u></b></p> <p>Please provide a detailed outline of:</p>	250	a) 70 b) 70 c) 35

<ul style="list-style-type: none"> <li>a) Your understanding of the development potential, transportation considerations and socio-economic matters in Leeds City Centre West (100 points).</li> <li>b) Your understanding of key matters and issues that the study will need to address and how they will be addressed to establish the series of key moves (100 points).</li> <li>c) Your knowledge of local and national planning policy and relevant cultural, economic and transport policies and their relevance to the study (50 points).</li> </ul>		
<p><b><u>Methodology</u></b></p> <p>Please provide a detailed methodology of how you intend to undertake the research, including the methods you will use to gather data, how you will interpret this data to produce an implementable series of key moves, including team work, reporting mechanisms and quality assurance.</p>	225	160

- 3.1.2 The response will be scored by the Evaluation Panel on a 0-10 basis (Unacceptable – Outstanding). Submissions reaching the minimum quality threshold will then be evaluated on price, receiving a total score combining quality (70%) and cost (30%). The highest three bidders meeting the minimum quality thresholds will be invited to interview. The highest scoring tenderer – on the basis of moderated quality scores and cost scores – will be appointed.

### **3.2 Reason for Contracts Procedure Rules Waiver**

- 3.2.1 The Council is seeking to use the combined price/quality split approach to evaluation for this commission whereby the price element of the evaluation is 30% and the quality element of the evaluation is 70%. The Council therefore seeks to waive Contracts Procedure Rule 15.2, in accordance with the requirements of Contracts Procedure Rule 27.1 and 27.2, in order to evaluate price at less than 40%. The commission will have minimum quality thresholds on each criteria, if a tenderer scores less than the minimum score threshold in any of the questions, the tender will fail the evaluation, be automatically eliminated from the process and not considered for contract. The highest three quality bidders will progress to interview where they will be scored holistically. The lowest cost bidder will receive 30 marks for cost, with others receiving scores proportionate to their deviation from the lowest cost. All three will be invited to a panel interview which will undertake further clarification against the quality criteria. Scores will then be moderated with the highest scoring bidder appointed.
- 3.2.2 The Council currently has a range of existing skills and capabilities relating to this area of work and there are a number of existing documents, analyses and plans in place. In order to ensure value for money through this commission it is essential that the successful bidder enhances existing assets and adds creativity and innovative value in order to successfully address a broad range of complex outputs.
- 3.2.3 The quality of the commission will play a significant role in shaping major decisions on investment and funding criteria and as such, the quality portion of the scoring is critical. To ensure that this is reflected effectively in the commission, and that a high

quality team is secured, the quality portion of the scoring criteria is to be weighted more heavily than the recommended 60% as outlined within the Council's Contracts Procedure Rules. Whilst the quality threshold will ensure only those bidders who meet the minimum quality threshold are scored on cost, this approach ensures that the highest quality submission receives more weight given the major strategic importance of this work and mitigates the risk of a minimum acceptable quality tender winning to ensure value for money through this commission.

- 3.2.4 The Council is seeking a best in class team to undertake the commission. While cost will be a key consideration (30%) of the score, it is appropriate for cost and quality to be scored together in order to ensure that the appointment meets the specific requirements outlined in the tender brief.
- 3.2.5 The tender documents make clear that the value of this commission will be capped at £60,000.00 in order to ensure that value for money is obtained in respect of price. The primary concern in selecting a successful bidder will be the ability of the chosen firm to deliver exceptional quality outputs against this budget. While bidders' minds should be focused on minimising cost where possible, this should not be at the expense of being able to deliver the outputs required or at a lower quality. It is anticipated that costs will be received at a similar value based on market standards for this type of work.
- 3.2.6 In accordance with Contracts Procedure Rule 3.1.4, the Council considered whether an Internal Service Provider could undertake this work. It was considered that an external organisation with a strong track record in urban design and spatial strategy would be preferred in order to provide insightful professional analysis, bring crucial experience in undertaking similar projects in other locations and bring the breadth of knowledge required to produce a meaningful action plan within the timescales required.
- 3.2.7 Once approval to award has been obtained a contract will be entered into using the council's standard terms and conditions, as well as being registered on YORtender and Contracts Finder.
- 3.2.8 The appointment of a service provider through this procurement exercise will not commit the Council to any level of fees other than those incurred in response to detailed instructions. The Council will remain in control of expenditure through regular monitoring and client liaison.

### **3.3 Consequences if the proposed action is not approved**

- 3.3.1 If the proposed action is not approved, there is the risk that a substandard contractor be appointed to the role who does not add the additional skills, experience and expertise required from the tender. This may not result in the best value for money option being appointed. Due to the nature of the scope it is highly likely that a low priced bid will offer diminishing returns to the Council.

### **3.4 Advertising**

- 3.4.1 In line with the Council's Contracts Procedure Rule 3.1.14, due to the value of the commission being over £10,000, the tender will be advertised via YORtender and made publicly available. As the commission is considered an Intermediate Value Procurement, competition is required in line with Contracts Procedure Rule 8.1.

## **4. Corporate considerations**

### **4.1 Consultation and engagement**

- 4.1.1 This approach is being pursued following direction and advice from the Chief Officer of Asset Management and Regeneration. Through email correspondence on the 1<sup>st</sup> April 2021 discussing the best approach required to secure the desired quality team, the decision to take a blended quality scoring approach was supported.
- 4.1.2 The Executive Member for Climate Change, Transport and Sustainable Development was also consulted on this approach through a virtual briefing on Monday 19th April 2021 and is supportive of the approach.

### **4.2 Equality and diversity / cohesion and integration**

- 4.2.1 The Equality Act 2010 requires local authorities to comply with the Public Sector Equality Duty. This requires public bodies to consider, and have due regard to, the needs of diverse groups when designing, evaluating and delivering services in order to eliminate discrimination, advance equality of opportunity and access, foster good relations between different groups in the community. This commission has considered this and understands that it complies with the Public Sector Equality Duty.

### **4.3 Council policies and Best Council Plan**

- 4.3.1 The Leeds City Centre West Spatial Analysis contributes to delivering the ambitions, outcomes and priorities for the city and the organisation as set out in Leeds City Council's Best Council Plan. This, along with the adopted Local Plan, sets a wider vision for the area and the city more broadly and provide aspirations to create a compassionate and caring city with a strong economy, one that tackles poverty and reduces inequalities and works towards Climate Emergency targets to be a net zero carbon city by 2030.
- 4.3.2 The City Centre West area represents a crucial part of the city's economy and future, and will be critical in recovery following Covid-19. The area's assets and their associated strengths provide the opportunity to build upon the vision and momentum generated by local policy and offer the potential to support and deliver significant growth. There is now the opportunity to look across Leeds City Centre West and consider specific interventions to achieve these ambitions. The universities and established estates are contributing toward this through bold and ambitious plans across individual development sites which aspire to drive growth. Emerging neighbourhood plans in Headingley and Hyde Park aspire to capture the vision and desires of the local community and will contribute towards guiding future development to be responsive to the area's needs. Development sites identified in the Site Allocations Plan will provide attractive opportunities for investment and will contribute towards driving growth. Creating an overarching vision to join these opportunities together will be crucial to ensure that future development is cohesive, that further opportunities are identified and works towards achieving the city's ambitions. Generating a clear and practical action plan will ensure that required interventions are acknowledged and can be at the forefront of 'shovel ready' funding initiatives to unlock growth.

4.3.3 This will contribute towards the achievement of a number of ambitions outlined in the Best Council Plan including:

- Supporting the city's economic recovery from COVID-19 and building longer-term economic resilience;
- Supporting growth and investment, helping everyone benefit from the economy to their full potential;
- Strengthening digital and data;
- Enhancing the city now and for future generations;
- Making Leeds' public spaces and buildings accessible, safe, clean and welcoming.

#### Climate Emergency

- 4.3.4 Central to this commission is the requirement to consider, analyse and address sustainability, including green and blue infrastructure, and a spatial response to the Climate Emergency. Therefore, among the key questions asked to be addressed in the commission through specific and implementable place based measures within the spatial strategy will be around identifying how this area can support the city's response to the Climate Emergency, identifying opportunities for green technology and sustainable infrastructure and the provision or enhancement of new and existing green infrastructure?
- 4.3.5 Within the 'best in class' multi-disciplinary team sought by the commission, a Climate Specialist will be required.

#### **4.4 Resources, procurement and value for money**

- 4.4.1 Submissions reaching the minimum thresholds will be evaluated on price, receiving a total score combining quality (70%) and cost (30%). This approach will prioritise quality and ensure that value, creativity and innovation is added above the Council's existing assets in respect of skills, capabilities, research and analyses. This approach also enables cost and quality to be scored together to ensure the appointment reflects our requirement for a best in class team as well as driving efficiencies and achieving value for money in regard to quality of outputs.
- 4.4.2 The Council will consider the credibility of the price submitted for the services being procured. If officers believe the price is abnormally low, the Council will seek clarification from the tenderer to understand further the basis of the price submitted. If clarification does not satisfy the Council's concerns, the Council reserves the right to discount the proposal from further evaluation and the tender will be discounted from the process. In the event that two bidders submit identical prices, the contract will be awarded to the bidder that has the highest quality score.
- 4.4.3 The highest three bidders meeting the minimum quality thresholds will be invited to interview. This interview will ask clarification questions relating to the quality criteria set out and scores may be moderated on the basis of this interview. The highest scoring tenderer – on the basis of moderated quality scores and cost scores – will be appointed.

#### **4.5 Legal implications, access to information and call-in**

4.5.1 The decision is not eligible for call in as per Executive and Decision Making Procedure Rule 5.1 as it is a Significant Operational Decision. There are no grounds for keeping the contents of this report confidential under the Access to Information Rules.

4.5.2 There are no legal implications associated with the contents of this report.

## **4.6 Risk management**

4.6.1 Should the recommendation to approve the waiver of Contracts Procedure Rule 15.2 not be made, there is the risk that the best value tender is not secured. This would result in an appointment that does not add to the existing knowledge base held by the council and would not add the creativity and innovation needed to produce the outcomes required and would not support the subsequent creation of a Growth Framework.

## **5. Conclusions**

5.1 This report intended to provide a justification of the waiver of Contracts Procedure Rule 15.2 – Tender Evaluation to the Chief Officer of Asset Management and Regeneration in the Tender for Leeds City Centre West Spatial Analysis. It is the intention for the tender to pursue a blended scoring approach whereby the price element of the evaluation is 30% and the quality element of the evaluation is 70%. This will place more weighting on the quality of the tenders, and will result in a higher quality commission being appointed.

## **6. Recommendations**

6.1 In respect of the Leeds City Centre West Spatial Analysis, the Chief Officer of Asset Management and Regeneration is recommended to approve the waiver of the following Contracts Procedure Rule(s), Contracts Procedure Rule 15.2 – Tender evaluation in order to set the evaluation criteria split as 30% for price and 70% for quality.

## **7. Background documents<sup>1</sup>**

7.1 None

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<sup>1</sup> The background documents listed in this section are available to download from the council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.

**What is your reason for waiving CPRs?**

There is a genuine, unforeseeable emergency meaning there is no time to go through a procurement process e.g. to deal with the consequences of extreme weather.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
To purchase supplies or services on particularly advantageous terms due to liquidation/administration.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Requirement to put a contract in place with a current provider whilst a review of the services is completed.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Ran out of time to undertake a new procurement exercise	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Other (please provide summary here)  The Council seeks to waive CPR 15.2, in accordance with the requirements of CPR 27.1 and 27.2, in order to evaluate price at less than 40%. This approach will prioritise quality and ensure that value, creativity and innovation is added above the Council's existing assets in respect of skills, capabilities, research and analyses. This approach also enables cost and quality to be scored together to ensure the appointment reflects our requirement for a best in class team as well as driving efficiencies and achieving value for money in regard to high quality outputs.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No